

K mart Store Opens in Southeast Houston Thursday

Garneau New K mart Manager

Edgar H. Garneau, a 24-year employee of S. S. Kresge Co., has been appointed manager of the fifth K mart in Houston at 5702 Van Fleet.

Garneau, a native of Woonsocket, R.I., attended schools in Rhode Island before entering the employ of the S. S. Kresge Co. in 1941. He served in the U.S. Army Air Force during World War II, and returned to the S. S. Kresge Co. in 1947. He became manager of his first store in 1953. Since that time, he has managed three other stores.

Garneau is married and is the father of four children.



E. H. GARNEAU
New Store Manager

McVinnie Oversees New Plaza



G. F. McVINNIE
Regional Manager

The Southern regional manager for K mart here and for the parent firm, S. S. Kresge Co., is George F. McVinnie.

His responsibilities include 142 stores in 18 states. The stores are of three kinds, variety, Jupiter and K mart.

Although each store manager has autonomy in order that he can tailor his store to the needs of his community, it is McVinnie's job to see that each conforms to company policy.

McVinnie, promoted to regional manager from assistant in 1961, entered the S. S. Kresge management-training program in 1927 and was given his first store six years later. He managed stores for 15 years before he was promoted to district manager, a post in which he served seven years.

He is married and the father of two children. He and his wife are residents of Atlanta, Ga.



AUTOMOTIVE DEPARTMENT AT NEW K MART Section Will Carry Tires and Numerous Automobile Accessories

Alert Manager Founded K mart

Back in 1940 when the S. S. Kresge Co., parent firm of the K mart stores, was in the dime-store business, an angry complaint was lodged with the manager of the new store in Grosse Pointe, Mich.

The complaint started a chain of events that led indirectly to the founding of K marts.

The complainant was a well-dressed customer who angrily showed the store manager a list of eight items he couldn't find — but that were in the Kresge store in downtown Detroit.

The manager persuaded the customer to let him have the list. Later that day, the manager sent downtown for the items, then delivered them personally to the customer's home.

A small incident, seemingly, the sale involved only pennies, and, all considered a loss. But it is worth relating because the store manager was Harry Blair Cunningham, now president

SNACK



HOUSTON'S FIFTH K MART HAS A SNACK BAR Served Here Are Luncheon Items, Sodas and Sundaes

SPORTING GOODS



HOUSTON'S NEWEST K MART CARRIES SPORTING GOODS Among Items in This Section Are Golf Clubs and Tennis Rackets

C. L. Yohe Helps Open New K mart

C. Lloyd Yohe is vice president in charge of K mart and Jupiter operations for the S. S. Kresge Co. and has been working closely with the team of regional and district managers in readying the new K mart for its opening Thursday.

Since joining the company in 1923, Yohe spent ten years as a store manager and seven years as superintendent of stores. He was assistant regional manager of the old Chicago district and was named midwestern regional manager in 1955.

Yohe was elected to the Board of Directors of the company in 1958. Prior to his most recent appointment as head of K mart and Jupiter, he was central regional manager for the firm. He assumed his present assignment in October 1961.



C. L. YOHE
K mart VP

98-Year-Old Founder Is Still in Business

A basic belief of Sebastian Spering Kresge is the dignity that managers of K marts have one thing in common — their independence. Kresge managers run their own show and tailor the merchandise assortment to meet the needs of the consumers in their area. This individuality has always been company policy.

Kresge, 98 in July, 1965, and still active as chairman of the board, has stated his belief on many occasions:

"I believe that every human being in my employ is entitled to the dignity of making his own decisions."

First Store in 1899

Kresge's belief in the dignity of the individual was strongly in evidence in his first store in 1899. Each girl behind a counter was in charge and ran her department as if it were her own store.

One of them, Mrs. Myrtle Olmstead, was interviewed 52 years later by a reporter from Chain Store Age. It had then been 50 years since she left the company. Here is what she had to say about that long-ago association:

"Mr. Kresge made you feel as if you were part of a family. You were never just a clerk or package wrapper. I can't put my finger on anything he said but his smile implied a trust in your performance."

The people in his company were, and are, promoted on ability alone. Every one of the 1,000 young men in the Kresge management-training program today starts in the stockroom — as has every other Kresge executive, including Kresge President Harry B. Cunningham.

How far can a Kresge executive go on his own initiative? Here are two stories that give the answer and also give an insight into the chairman.

The first occurred during the Twenties. A district manager in New York State was told by a contractor that a new store could not be ready in time for the announced opening. The opening had been advertised. There had been stories in the papers.

He sent a wire to Kresge asking for advice, but really seeking reassurance. He got reassurance; the answer is still in the company files. Here is what Kresge's return wire said:

"Sorry to hear of your trouble — but glad to know you are there to take care of it."

Beginning K marts

The other story has to do with the proposal of his top executives, led by Cunningham, a little more than two years ago, to enter the field of discounting. It was a move that would immediately commit the company to \$80 million in spending over the coming two decades.

It was a vast sum and there was a great risk: Could the company go into the discounting business yet retain its policy of nothing but top-quality goods sold with an unconditional



GRAND OPENING OF HOUSTON'S FIFTH K MART IS THURSDAY AT 9 A.M. The Plaza Houses 35,000 Separate Kinds of Merchandise

Record Crowds Are Expected At Opening of K mart Plaza

The grand opening of the K mart discount department store and food market at 5702 Van Fleet and South Park is expected to bring record crowds to the store.

The fifth K mart Plaza in the Houston area will open at 9 a.m. Thursday with more than 150 local employees and top executives on hand.

The Houston K mart is the 114th to be opened by the S. S. Kresge Co., parent firm of K marts, in the past three years. The company is opening new K marts at the rate of 35 to 40 a year.

A K mart is a plaza with 50 or more departments with salesmen selling 35,000 separate kinds of merchandise ranging from color television sets and other major appliances to fishing rods, women's fashions and food. The Van Fleet store will also have a tire center.

Parking will be no problem for customers since there are 850 parking spaces, and police will be on hand for the opening to speed the flow of traffic.

The Southeast Houston K mart covers 92,300 square feet or not quite the size of two football fields. It has enough electrical wiring to make one telephone line 41 miles long, and enough glass in the store front alone to make a fence ten feet high and 250 feet long.

It also has enough fluorescent tubes to make a four foot high picket fence completely around a 175-foot by 90-foot lot or, laid end to end, to make one fluorescent tube more than two miles long.

The new K mart will use enough air-conditioning in any one year to keep 75 good-sized homes at 60 degrees all year long. It will also use enough electricity to keep 1000 homes lighted for a year, and use enough gas to heat 800 homes for a year.

Manager for the new K mart is Edgar H. Garneau, a 24-year employee of the parent company, S. S. Kresge Co.



S. S. KRESGE
Board Chairman

al guarantee that the customer would be satisfied?

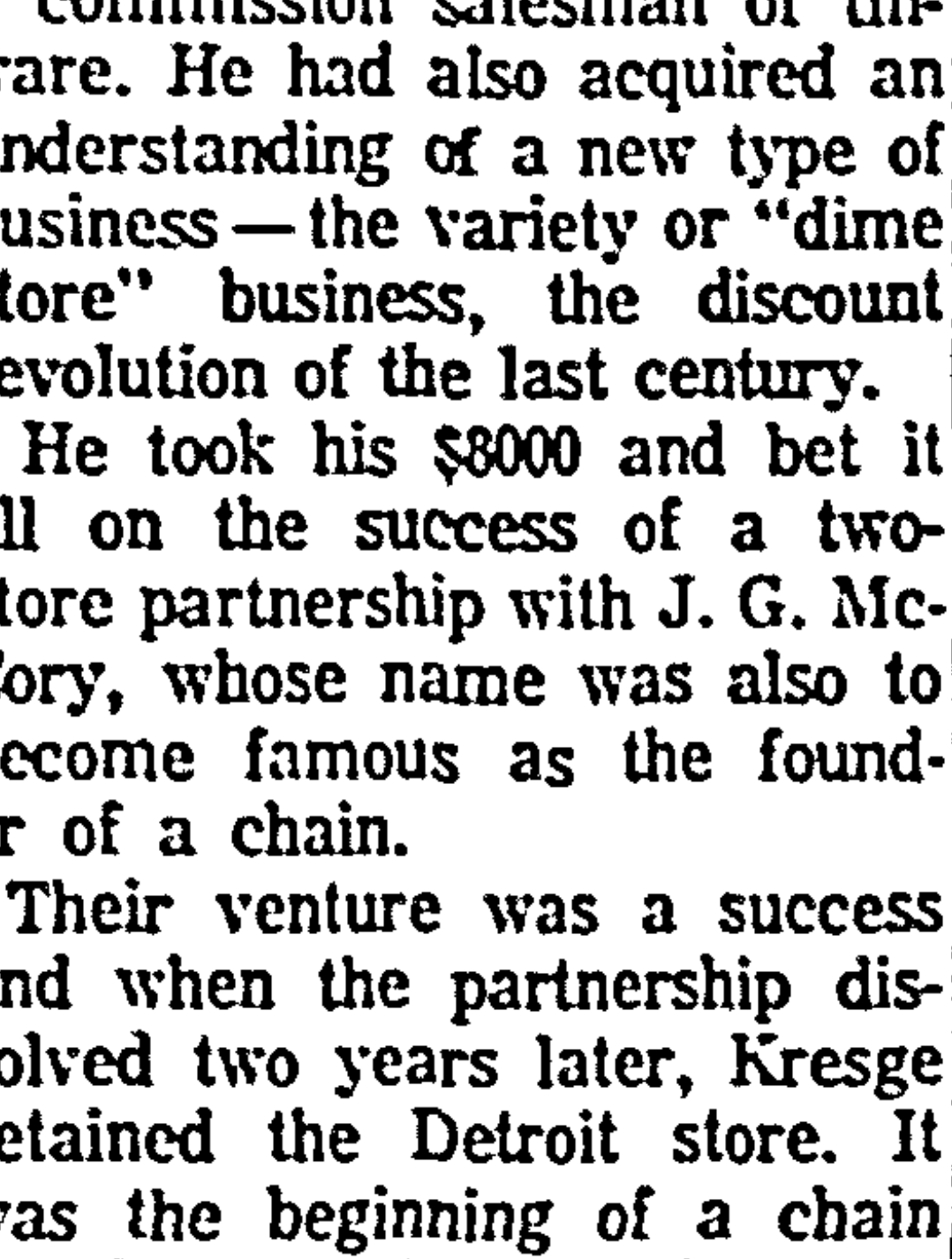
Since that time the Kresge company has found that its policy not only can work at low, discount prices but it is a key to the success of K marts as well as building consumer confidence in a method of retailing where customers previously had to buy at their own risk.

That was the background to the conversation with Kresge, who, of course, had the most to lose. Kresge listened, then said:

"Good for you! I want you to know that I am behind you 100 percent."

It was typical of Kresge. Although frugal in his own personal habits, he was always open-handed and even daring where his business was concerned.

Daring is perhaps the word that best describes the venture he launched in 1899. He had ac-



H. B. CUNNINGHAM
Kresge President

quired \$8000 through his skill as a commission salesman of tinware. He had also acquired an understanding of a new type of business — the variety or "dime store" business, the discount revolution of the last century.

He took his \$8000 and bet it all on the success of a two-store partnership with J. G. McCarty, whose name was also to become famous as the founder of a chain.

Their venture was a success and when the partnership dissolved two years later, Kresge retained the Detroit store. It was the beginning of a chain that became the second largest dime store chain in the world.

The S. S. Kresge Co. now has over 855 stores of two kinds — variety stores and discount stores. The variety stores sell such big-ticket items as TV sets and power lawnmowers. The K marts stock 35,000 items.

You might think that Kresge, six and a half decades removed from founding his dime stores, would find discounting a vastly new form of merchandising. But, Kresge's policy was to buy quality goods and sell them at the lowest possible price, relying on the number of sales to make a profit — much the same kind of thing Henry Ford did later with the Model T.

And the key to success in K mart discounting says Kresge "is to have a low mark up to create a fast turnover and rely on volume for profit."

Sound familiar? It should. Kresge, in 1899, and discounting K marts of today do the same thing. Just the words are different.

Company President Worked His Way Up

President of the S. S. Kresge Co., parent firm of K marts, is Harry Blair Cunningham. He started with the firm in 1928 when he was offered a spot in the training program of the S. S. Kresge Co.

Since then he has been assistant manager of stores in Brooklyn, N.Y., Indiana, Virginia and in Washington D.C. Each year he was given more responsibility managing larger stores, becoming superintendent of stores and finally to assistant sales director.

It was during this last stint in 1951 that Cunningham helped pioneer the checkout system in the variety chain field. It put a marginal store into the profit column.

In less than two years, the checkout system was tried in 20 stores and worked the same magic. Cunningham was made sales director for the entire company in 1953.

In 1954, his second year in that post, he was invited to sit as a non-voting contributor at board of directors meetings. At the time, he was 46 years old.

Two years later, in 1956, it was made official — he was elected to the board.

Kresge's top management had been watching the checkout experiments success with keen interest, and this type of operation became standard in shopping-center stores Kresge's was to open the 26 Northwestern and Middle Western states, Kresge's traditional territory in the late '50's.

During this period top management decided to expand beyond their traditional territory, the Middle Western states. Leadership in executing the expansion was given to Cunningham. In 1957, with the title "General Vice President," he set to work with the Kresge real estate department to plan and establish new territories in the South, Southwest, Far West and Puerto Rico. In two years, he traveled more than 100,000 air miles.

His first-person role of missionary to new territories ended in 1959 when Cunningham was elected president and chief executive officer of the company.

Cunningham's philosophy: "No matter what a person's job, he must contribute something over and above, something of himself," and he continues, "The ability to give unstintingly of yourself is undoubtedly the greatest ingredient of success in business — or in life for that matter."



FOOD SECTION OF K MART CARRIES LATEST IN NUTRIMENTS Salesmen Have Been Readyng the Shelves for Opening Thursday